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TRADE AND DEVELOPMENT BOARD

Seventeenth Session (First Part)

SUMMARY RECORD OF THE 474th MEETING

Held at the Palais des Nations, Geneva,
on Wednesday, 31 August 1977, at 11.30 a.m.

President: Mr. de ALWIS (Sri Lanka)

later: Mr. FEVRE (France)

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FIFTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
(agenda item 4) (TD/B/[illegible]; TD/B/L.480)

1. Mr. COLLANTES (Philippines) said that his country was determined to contribute to the deliberations of the Board and elsewhere in search of changes designed to bridge the gap between the developed and the developing countries. The need for a more equitable distribution of the abundance of the earth was universally voiced, but measures to alleviate it had been at best palliatives.

2. His delegation was gratified therefore that at the current session the Board was renewing discussions of a wide range of seemingly intractable economic and development issues, and it commended the UNCTAD secretariat for the excellent documentation prepared for the session. UNCTAD played a significant role in development and already had considerable achievements to its credit. His Government attached unique importance to the role of UNCTAD in the United Nations system and hoped that, with the support of member countries, it would contribute fully to the establishment of a new international economic order.

3. But much more remained for UNCTAD to do to achieve a more equitable sharing of the riches of the world among the nations. It was clear to the Philippines, with other developing countries, the scope of the imperatives of self-help, mutual co-operation at the sub-regional, regional and inter-regional levels remained one of its major concerns. Co-operative endeavour was surely the only way for the developing countries to achieve true economic autonomy, but on the other hand it would be fatal for the industrialized nations to continue to ignore the present crisis and retreat within the shelter of their national boundaries.

4. It was at Manila, at the third Ministerial Meeting of the Group of 77, that the first practical step was taken for the establishment of a common fund for the integrated programme for commodities. His Government hoped that very soon, more pledges would be made to the common fund and that the resumed negotiations in November would hasten the establishment of the fund. In the same spirit he reiterated the offer made by the President of the Philippines, Mr. Marcos, at the fourth session of UNCTAD, to host the fifth session at Manila in 1979. As host country, the Philippines would comply fully with the requirements set forth by General Assembly resolutions on the subject and guarantee full protection and recognition of the diplomatic rights and privileges of representatives of participating countries, without any discrimination.

5. Mr. LALOVIĆ (Yugoslavia) speaking on behalf of the Group of 77, thanked the Philippine Government for its generous offer. The efficiency with which the third Ministerial Meeting of the Group of 77 had been organized, and the hospitality extended at the time, augured well for the fifth session of UNCTAD.

6. Mr. REVOL (France), speaking on behalf of Group B, thanked the Philippine delegation sincerely for its renewed invitation, and warmly supported the draft resolution submitted by the Group of 77 on the subject (TD/B/L.480).

7. Mr. ZAKHAROV (Union of Soviet Socialist Republics), speaking on behalf of Group B, expressed the gratitude of Group B to the Philippine Government for its kind invitation.

8. The fifth session of UNCTAD ought to strive for the solution of urgent problems of international trade and development within the general framework of a restructuring of international economic relations on a just and equitable basis. It was particularly important to prepare for the session with the greatest care.

9. The current debate provided new opportunities for strengthening the national sovereignty of developing countries, eliminating colonialism and racism, and encouraging the economic and social development of the countries of Africa, Asia and Latin America. The increase in international co-operation, especially political and commercial co-operation, made it essential that the détente should become more pronounced, and that concrete results should be obtained in the field of disarmament. The preparations for the fifth session of UNCTAD should take into account the necessity for making renewed efforts at the national and international levels to attain those objectives.

10. The countries of Group B were in favour of strengthening the efficacy of UNCTAD - the most universal of the organizations dealing with international trade within the United Nations system - so that problems of world trade could be studied in the light of the interests of all countries, whatever their degree of development of their economic and social system.

11. With regard to the proposals by the Secretary-General of UNCTAD concerning preparations for the fifth session of the Conference, the countries of Group B felt, as he himself did, that it would be premature to examine at the current session the problems which would appear on the agenda of the Conference. At the same time they wished to emphasize that the general approach of the agenda and the problems it would contain should take due account of the interests of all UNCTAD countries; they should be in keeping with the major functions of UNCTAD; and they should encompass a range of questions of interest for international trade and the restructuring of international economic relations on a democratic and equitable basis.

12. The countries of Group B were also of the opinion that the Conference should, as at its previous sessions, hold a general debate on major problems relating to international trade and development, and they supported the suggestion that the full texts of the policy statements in the general debate should be issued as part of the proceedings of the Conference (TD/B/650, para. 11 (c)). If the Conference dispensed with summary records, the role and responsibility of UNCTAD's information services would be correspondingly increased: it would be their task to report the work of the Conference in an accurate, comprehensive and objective manner.

13. Mr. AI (China) thanked the representative of the Philippines warmly for reaffirming the offer made by the Philippine Government to host the fifth session of UNCTAD.

14. The PRESIDENT invited the Board to take a decision on the relevant draft resolution (TD/B/L.460), subject to minor drafting changes.

15. Draft resolution TD/B/L.460, as amended, was adopted.

16. The PRESIDENT renewed his thanks to the Philippine Government on behalf of the Board. It was at Manila, at the third Ministerial Meeting of the Group of 77, that the proposal to set up a common fund for commodities had first been made, the Philippine Government immediately offering a generous contribution, and that the question of intensive negotiations on commodities had been raised for the first time. The fifth session of UNCTAD too should provoke new ideas and give concrete expression to the interdependence of all countries within a new world economic order.

17. Mr. PANKIN (Union of Soviet Socialist Republics), speaking on behalf of Group D, said that the agenda for the fifth session of the Conference should take account of the interests of all countries; it should be in keeping with the major functions of UNCTAD; and it should encompass a whole series of questions of capital importance for world trade and the restructuring of international economic relations on a just and democratic basis.

18. Mr. BERTHOUD (Chief, Division for Conference Affairs and External Relations) pointed out that paragraph 11 (e) of the Note by the Secretary-General of UNCTAD (TD/B/659) stated that the Board might wish to consider deciding to dispense with summary records for the Conference on the understanding that the full texts of the policy statements delivered in general debate would be issued as part of the Proceedings of the Conference. However, no decision on the matter appeared in the draft resolution which had just been adopted. When the secretariat began preparations for the fifth session of the Conference it would therefore take into account the fact that the Board had not accepted the proposal and would make arrangements accordingly.

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 2) (TD/B/665 and Add.1 (Parts I and II)) (continued)

19. Mr. YESHKOV (Byelorussian Soviet Socialist Republic) said that the UNCTAD secretariat's analysis of the economic situation in the developing countries (TD/B/665) confirmed the conclusions of the 1976 World Economic Survey. Both dealt with characteristic phenomena which had a direct bearing on the interdependence of problems of trade, development finance and the international monetary system such as the upheavals occurring during the past few years, which had had serious repercussions on the developing countries. The losses suffered by those countries as a result of the crisis in the developed countries far exceeded the amount of external aid they had received since the beginning of the second Development Decade. That was to be explained by the constant exploitation of the developing countries by the capitalist countries, the maintenance and creation of trade barriers; and the constant increase in the profits of the transnational companies. It was no coincidence that the crisis was growing worse at the same time as those companies were extending their area of activity. There could no longer be any doubt that international monopolies were largely responsible for the disorganized state of the world market, the financial and monetary crises, and the fact that it was the developing countries which had to bear the brunt of the crisis affecting the developed countries.

20. The problem of the restructuring of international economic relations had never been so urgent, but capitalism and its monopolies still prevented any solution. In the progressive spirit of the Charter of Economic Rights and Duties of States and the resolutions adopted by the General Assembly, the elimination of colonialism and neo-colonialism must be extended to the economic sphere. No such international action could be effective, however, unless it was based on measures taken at national level to reform the economic and social system. Otherwise it would be difficult to speak of strengthening the sovereignty of nations over their natural resources, still less of making the activities of the transnational companies subordinate to national interests.

21. Analysis of the interdependence between the different economic sectors was not complete without mention of the enormous waste of resources represented by the arms race which, at the instigation of the capitalist countries, was steadily being intensified. Military expenditure could only hamper economic development and co-operation and aggravate the crisis still further by helping to increase taxation, speed up inflation and swell the national debt in the capitalist countries. The development of weapons of mass destruction was, moreover, extremely dangerous, since it might have unforeseeable consequences. The solution of economic problems was therefore inseparable from the social and economic aspects of disarmament, and if UNCTAD took those aspects into consideration when studying the problem of interdependence it might make a useful contribution to the work of the special session which the United Nations General Assembly was to devote to disarmament.

22. The study by United Nations bodies of commercial and economic questions had to a large extent been made possible by the positive changes which had taken place in the world, as reflected in a consolidation of the bases of peaceful coexistence between States with different social systems, the strengthening of international security, and growing international détente. The statement by the Government of the Soviet Union at the thirty-first session of the United Nations General Assembly on 4 October 1976 was an important contribution to the formulation of practical and more effective methods for restructuring international economic relations on a democratic basis. It bore witness to the Soviet Union's faithfulness to the principles of foreign policy it had always applied.

23. His delegation found it difficult to accept the view expressed in paragraph 6 of document TD/B/665 that the economic outlook for developing countries was influenced by the growth prospects of the countries belonging to the Organization for Economic Co-operation and Development (OECD). In that context it might have been useful to emphasize the role played in economic relations between countries by the principle of equal rights and mutual advantages; by the elimination of discrimination and exploitation of one country by another; and by the elimination of colonialism and neo-colonialism in the economic sphere. Only by taking account of those principles would it be possible to adopt an effective approach to the study of the interdependence of problems of trade, development finance and the international monetary system. It was also important to note that the sound economic relations established between the socialist countries and the developing

countries had been initiated at a time when the economic crisis was becoming intensified in the capitalist countries. The strengthening of the economy of the Soviet Union and the socialist world as a whole created favourable conditions for the subsequent development of their relations with other States in the world.

24. Mr. Fèvre (France) took the Chair.

25. Mr. BACHIR DIAGO (United Nations Council for Namibia), speaking at the invitation of the President, thanked the Trade and Development Board for inviting the United Nations Council for Namibia to take part in the current session. The invitation showed quite clearly that the United Nations regarded the Council for Namibia as the authority entitled to speak on behalf of the Namibian people during the period of illegal occupation of the territory by the racist Government of South Africa. The Council for Namibia had in fact been taking part for some time already in the work of UNCTAD.

26. It was true that the United Nations had a special responsibility with regard to the territory in question, as clearly expressed in the many resolutions of the General Assembly and the Security Council which included requests to the specialized agencies to give the Council for Namibia all possible help. For that reason the Council for Namibia had decided to consult with certain specialized agencies in Europe with a view to seeking ways of providing assistance to the people of Namibia, and mobilizing international public opinion in regard to the illegal occupation of the territory. The mission had had an opportunity to talk with the Secretary-General of UNCTAD, who had shown a marked spirit of co-operation in the course of a conversation whose main object was to obtain full participation by the Council in UNCTAD's future work, on the same footing as all the other member States.

27. In the course of that meeting, the mission had asked UNCTAD to prepare a preliminary paper on planning and policy to be adopted by Namibia in the field of foreign trade, in order to help the Council for Namibia to establish, for its own territory, trade and development statistics quite separate from those of South Africa, and so enable it to publicize the Council's Decree No. 1 on the protection of Namibia's natural resources. The mission had felt that UNCTAD's aid in that direction would be helpful in exposing the illegal and shameless exploitation of Namibia's resources by South Africa and those who assisted it in its machinations.

28. The illegal régime established in Namibia, in complete disregard of the unanimous will of the international community and the numerous decisions of the United Nations, persisted in unscrupulously exploiting the resources of the territory. The profits from all mining and industrial activities in Namibia went to the foreign white minority, which repatriated almost the entire profits abroad. Yet those huge profits were the result of exploitation not only of the natural resources of Namibia but also, and above all, of its human resources in the form of cheap labour. Three quarters of the African labour force were considered as migrant workers, who were granted access to certain parts of Namibia reserved for the whites only, if they had a contract binding them to a specified white employer, and were housed in camps where segregation was enforced.

29. Since its inception in 1967, the United Nations Council for Namibia had spared no effort to ensure legitimate representation for Namibia and its people, in full co-operation with SWAPO, designated by the United Nations and by the Organization of African Unity as the authentic representative of the Namibian people. The invitation to the current session of the Trade and Development Board would help the Council to pursue its aims and denounce the unjustified claim of the Pretoria régime to represent Namibia.

30. Namibia was subjected to shameless exploitation both by South Africa and by a host of transnational companies. It was precisely that problem which led the Council for Namibia to adopt its Decree No. 1 on the protection of Namibia's natural resources. The purpose of the decree was to safeguard the national riches of the Namibian people pending the achievement of independence, but its efficacy depended entirely on the support received from the international community, and especially the developed countries. The Council for Namibia therefore called on all member States and all international organizations and institutions to ensure that the decree became a decisive factor in the Namibian people's struggle for liberation. Implementation by member States of all goods and shipments from Namibia (including through their territory), and restrictions on economic co-operation, would speed up decolonization and help to bring the illegal occupation of Namibia to an end.

31. Development normally covered a nation's entire economic and social life. Unluckily for Namibia, the Government of South Africa had always assured growth in terms of a few identifiable units of production, while completely neglecting other universally recognized considerations. Growth of that kind brought with it neither progress nor development, since the home market it created was very limited and only benefited a few big industrialists - white ones, to make matters worse. The political and social climate created by the South African occupation of Namibia had sanctioned the inequalities based on racial and social discrimination. Only a radical change in policy could eliminate those differences and lay the foundations for balanced economic development.

32. Namibia was an underdeveloped country. Factors such as cheap labour and strategic minerals like uranium caused it to contribute enormously to the economy of South Africa. The stranglehold of all-powerful foreign economic interests on the country's principal resources would pose very serious problems for an independent Namibia. The Council for Namibia was currently preparing for talks on uranium to be held at United Nations Headquarters. In that connexion it would welcome the collaboration of international experts on trade, including UNCTAD's experts on uranium-based products.

The meeting rose at 1 p.m.